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October 17, 2002

**SUMMARY OF
EX PARTE PRESENTATION**

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWA325
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service,
CC Docket Nos. 96-45, 98-171, 90-571, 92-237,
99-200, 95-200, 95-116, 98-170 and NSD File No. L-00-72;

Dear Ms. Dortch:

On October 16, 2002, Lawrence E. Sarjeant and Robin Tuttle, on behalf of the United States Telecom Association (USTA), met with Matthew Brill, Legal Advisor to Commissioner Kathleen Abernathy. During the meeting, we discussed the above-referenced proceeding.

With respect to the universal service contribution proceeding, I reiterated points raised by USTA in its filed comments and reply comments. In particular, any universal service contribution scheme must be competitively neutral as to those interstate telecommunications services providers required to make contributions. I restated USTA's opposition to the contribution proposal of the Coalition for Sustainable Universal Service (CoSUS). This proposal violates Section 254(d) of the Telecommunications Act of 1996 and the requirement therein that every telecommunications carrier that provides interstate telecommunications services shall contribute on an equitable and nondiscriminatory basis to a specific, predictable and sufficient universal service support mechanism established by the Federal Communications Commission (FCC). The CoSUS proposal fails to satisfy this statutory requirement. Further, we discussed the following issues related to ensuring that any universal service support mechanism is sustainable: fund growth; declining revenue base for the assessment of contributions; increases in carrier offerings of service bundles; and the sufficiency of data in the record to validate any proposed plan before its adoption by the FCC. USTA indicated that an interim, revenue-based contribution scheme may be the best alternative at this time given the concerns that exist with respect to the proposals currently in front of the FCC. USTA expressed its concern about the ability to implement any of the connections-based proposals being considered by April 1. I asked for a status report on the timing for a decision in this proceeding.

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In accordance with FCC Rule 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically with your office. Please feel free to contact me at (202) 326-7300 if you have any questions.

Sincerely,

/s/ Lawrence E. Sarjeant
Lawrence E. Sarjeant
Vice President – Law &
General Counsel

cc: Matthew Brill